



State of Utah

DEPARTMENT OF NATURAL RESOURCES
DIVISION OF OIL, GAS AND MINING

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December 2, 1991

TO: Minerals File

FROM: D. Wayne Hedberg, Permit Supervisor *DWH*

RE: Field Documentation, Redmond Clay and Salt Company, Clay and Salt Mines, M/039/002, Sevier County, Utah

On November 29, 1991, the Division of Oil Gas & Mining (Division) received from Redmond Clay and Salt Company (RCSC), an Irrevocable Letter of Credit (ILOC), issued by Utah Independent Bank in the amount of \$226,000. The ILOC was provided as reclamation surety for the Redmond Clay and Salt mines under Division permit number M/039/002. The surety was received in a timely manner and before the Division's December 1, 1991 deadline.

On December 2, 1991, I received a telephone call from Mr. Neil Bosshardt of RCSC regarding his discovery of an error in the required amount of reclamation surety. The correct surety amount should be \$228,100. Mr. Bosshardt indicated that he had notified Utah Independent Bank of the error. He was informed by the bank that a replacement ILOC could be prepared promptly. I indicated that we would immediately return the original ILOC issued November 27, 1991, to Utah Independent Bank. Mr. Bosshardt indicated he would advise Utah Independent Bank accordingly, and have them immediately prepare the replacement ILOC with the correct dollar amount.

Mr. Bosshardt indicated that the Reclamation Contract (FORM MR-RC), was presently being "proofed" and would be mailed to the Division this afternoon or tomorrow. I indicated to Mr. Bosshardt that I would document, by memo to the file, our telephone conversation and the transactions to date.

jb

cc: Neil Bosshardt, RCSC
Mike Shaw, Utah Independent Bank
Lowell Braxton, DOGM
Tony Gallegos, DOGM

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